

**CALIFORNIA DEPARTMENT OF FOOD AND AGRICULTURE (CDFA)
STANDARDIZATION ADVISORY COMMITTEE MEETING
SALINAS, CA
Meeting Minutes
October 12, 2005**

Members Attending

Kerry Whitson
Dennis Johnston
Pete Dinkler
Jerry Prieto, Jr.
Jim Simonian
Dean Thonesen
Mike Gardoni
Mark Perez, Jr.
Eric Lauritzen

CDFA Representatives

Nate Dechoretz
Rick Jensen
Gary Manning
Susan Shelton

Interested Parties

Tom Oliveri, WGA
Richard Ordonez, Monterey Co.
Robert Roach, Monterey Co.
Melanie Horwath, Gonzales Packing
Marcy Martin, G&TFL
Gail Raabe, San Mateo Co.
Angela Godwin, Riverside Co.
Gary Van Sickle, CTFA

ITEM 1: ROLL CALL

Jim Simonian called the meeting to order at 10:01 a.m. Gary Manning called the roll and a quorum was established.

ITEM 2: COMMITTEE REAPPOINTMENTS AND INTRODUCTION OF NEW MEMBERS

Introductions were made. For the benefit of the new committee members, Gary Manning explained that the mission of the committee was to advise the Secretary on all matters pertaining to the implementation and enforcement of Standardization.

ITEM 3: APPROVAL OF MARCH 24, 2005 MEETING MINUTES

MOTION: Jerry Prieto moved to accept the minutes for March 24, 2005 as submitted. Pete Dinkler seconded. The motion passed unanimously.

ITEM 4: LEGISLATIVE UPDATE

A. CITRUS LEGISLATION

Gary Manning explained that citrus legislation AB 85 was approved by the Governor and filed with the Secretary of State on September 6, 2005. Four new members have been added to the committee, which include lemon and mandarin

representatives. The restructured committee will meet for the first time on October 20, 2005.

B. ADMINISTRATIVE PENALTY LEGISLATION

Gary announced that AB 520 was approved by the Governor and filed with the Secretary of State on September 6, 2005. This bill gives the County Agricultural Commissioners the authority to impose fines through an administrative civil penalty process, thus by-passing the previous requirement that violations go through the DA's office. Jerry Prieto explained that a penalty matrix is being developed that will need to be put into regulation.

C. TOMATO LEGISLATION

Gary stated that the Governor vetoed AB 649 on October 6, 2005. The purpose of this bill was to add authority under the California Tomato Commission to institute grade, sanitation and water standards. Nate Dechoretz informed the committee the bill was vetoed because there was a provision that would empower the Tomato Commission to seize and sell property with minimal due process.

ITEM 5: COMMODITY UPDATE

Gary updated the committee on the status of items currently in the regulation process.

A. GRAPE AND TREE FRUIT REGULATION CHANGES

This regulation would remove the varietal marking on peaches, plums and nectarines. It would also include sizing nomenclature for Peento type peaches and nectarines. CDFA is awaiting the formal petition and then will submit all paperwork to the Office of Administrative Law (OAL).

B. TOMATO REGULATIONS

This regulation is proposed to:

- Include dirt and foreign material as defects
- Require containers be marked with a grower and lot identification code
- Require every person acting as a handler to register with the Secretary, keep a complete and accurate record of commodities shipped, and maintain these records for a period of two years for inspection and audit purposes
- Define a tomato handler and establish said requirements

This regulation is still being reviewed by CDFA. Gary stated that CDFA intends to send out a 15-day notice to clarify some issues. Melanie Horwath from Gonzales Packing stated her concern regarding the Tomato Commission having access to what she states is proprietary information. The committee also discussed the issues related to dirt being a foreign material. The importance of dirt being defined was expressed.

MOTION: Mike Gardoni moved to request CDFA to define “dirt” and to have grower information kept within the state level and not to be shared. Jerry Prieto seconded. The motion passed unanimously.

ITEM 6: STATUS OF COUNTY CONTRACTS

Gary explained that CDFA has entered into contracts with nine counties to augment some of the inspection work, maturity testing, etc. These contracts are:

County	Contract Amount	Inspection Type
Fresno	\$114,788	Honeydew & Table Grapes
Kern	\$ 50,947	Table Grapes & Misc.
Kings	\$ 19,750	Honeydew
Merced	\$ 12,183	Honeydew
Monterey	\$ 47,207	All Vegetables
Riverside	\$195,854	Wholesale For Various Counties
San Bernardino	\$ 28,293	Wholesale and Production
San Joaquin	\$ 41,062	Cherry
Yolo	\$ 32,969	Honeydew

ITEM 7: SAN MATEO WHOLESALE INSPECTION – GAIL RAABE

Gail Raabe presented the committee with a standardization contract proposal for fiscal year 2006-07. This contract would be to augment the county’s current wholesale inspection program. Gail stated that labeling violations at wholesale markets are a large concern in San Mateo County.

Golden Gate wholesale terminal, located in San Francisco, is the largest wholesale terminal in Northern California. The number of produce lots arriving at the wholesale market with labeling violations continues to increase. What is of particular concern, are the amounts of containers arriving with no responsibility labels identifying where the produce originated. Some of this produce is making its way into restaurants and retail markets. If there were to be an incident of food-borne illness it would take much longer to identify the source, and in some instances may be impossible to trace. With all of the current issues concerning food security, this is clearly a serious problem.

At the meeting on March 20, 2003 Gail brought this problem before the committee. She stated that her belief was that issues with labeling and repeat violators could be resolved by obtaining regulatory authority for imposing administrative civil penalties. The passage AB 520 has made this possible.

Currently, only two hours a day can be devoted to the Standardization Program. The cost for the employee's time is funded out of the county's general fund. As the county has very little funding for enforcement activities related to this issue she proposed that the committee consider one of the following three options:

- | | |
|---------------|--|
| Option One: | 520 personnel hours
Two hours/day – (This currently matches the existing program)
\$29,140 |
| Option Two: | 780 personnel hours
Three hours/day
\$44,120 |
| Option Three: | 1,040 personnel hours
Four hours/day
\$58,820 |

MOTION: Pete Dinkler moved that the committee choose option three for consideration. Mike Gardoni seconded. The motion passed unanimously.

ITEM 8: WHEELER RIDGE RESULTS

At the March 2005 meeting the committee agreed with the program's decision to open the Wheeler Ridge inland area station on a spot basis. Gary gave each committee member a copy of the inspection hour's summary, weekly inspection report and summary of non-compliances issued.

A total of 1213 man-hours were expended during the periodic opening between July 7 and August 19, 2005. Out the 40 rejections six were for maturity, four were for quality, 26 were for labeling, and four were for proof of ownership.

ITEM 9: STATE ENFORCEMENT RESULTS

Gary Manning gave each committee member a handout that reported the enforcement hours for August 2005. He explained that the results for all of 2005 would be reported at the committee meeting in March 2006. The following totals for August were reported:

Total Hours	936.50
Total Containers Inspected	147,562
Total Containers Rejected	9,338
Percent Rejected	6.33%

ITEM 10: BUDGET STATUS REPORT

Gary explained that the assessment for standardization used to be set at \$.003 (3 mils). In 2002 the reserve had grown large enough that the committee decided to decrease the assessment to \$.0015 (1.5 mils). It was expected that the program cost versus revenue, including the excess reserve, would last for two years and then the assessment would need to be reevaluated. It has now been three years and the program is running an annual deficit.

In 2004-05 expenditures were approximately \$1,371,000 and revenue was \$941,000. As of the end of August the reserve was \$1,573,000. The program should have enough reserve to cover operational costs for one year. Because of this CDFA recommended that the committee look at ways to increase revenue and decrease expenses.

Tom Oliveri stated that some members of Western Growers Association are not very interested in standardization and may question if the program is even needed if assessments increase. It was also discussed that fee changes must be made through regulation. The committee discussed creating a budget subcommittee to look at revenue, assessments, cost reductions and reserve. It was decided that Jim Simonian, Pete Dinkler and Kerry Whitson would work with CDFA by serving on the Budget Subcommittee.

ITEM 11: NOMINATION OF CHAIRMAN AND VICE CHAIRMAN

MOTION: Dennis Johnston moved that Jim Simonian be elected as Committee Chair and Steve Patricio as Vice-Chair. The motion passed unanimous.

ITEM 12: OTHER BUSINESS

Jerry Prieto stated that juice grapes have a 300 lb. container that the industry no longer uses. He suggested that it be taken out of regulation.

ITEM 13: NEXT MEETING

The next meeting will be held at Harris Ranch and the date is to be determined.

ITEM 14: ADJOURNMENT

The meeting adjourned at 12:04 p.m.

Respectfully submitted by:

Gary Manning, Program Supervisor
Standardization Program
Inspection and Compliance Branch

GM/ss